Chatham Scorecard

Summer Town Meeting August 7, 2013

SUMMER RESIDENTS ADVISORY COMMITTEE CHATHAM SCORECARD PRESENTATION AUGUST 7, 2013 HUGH G MOULTON

FOR THE LAST SEVEN YEARS, THE COMMITTEE HAS PRESENTED A "CHATHAM SCORECARD", OUR ATTEMPT TO ASSESS JUST HOW WELL CHATHAM IS DOING FROM A FINANCIAL POINT OF VIEW, PARTICULARLY WHEN COMPARED WITH OTHER CAPE TOWNS.

WE NOTED THAT SINCE 2000 CHATHAM HAS HAD THE HIGHEST INCREASE IN REAL ESTATE VALUES OF ANY TOWN ON THE CAPE, THE LOWEST TAX RATE AND HAS OPERATED IN A FISCALLY PRUDENT MANNER. AT THE SAME TIME INFRASTRUCTURE IMPROVEMENTS HAVE BEEN MADE, AND TOWN SERVICES HAVE BEEN MAINTAINED AND EXPANDED.

THIS YEAR WE WILL BE UPDATING THE SCORECARD AND THE NEWS CONTINUES TO BE GOOD. BUT OUR TAX RATE HAS INCREASED THIS YEAR TO \$5.03 per \$1,000 OF ASSESSED VALUE, 22% OVER 2012, AND THERE ARE IMPORTANT BUDGETARY CHALLENGES FACING THE TOWN IN THE YEARS AHEAD, AND WE WILL BE SHARING COMMENTS ON THESE ISSUES AS WELL.

OUR SCORECARD IS BASED ON INFORMATION PUBLISHED BY THE TOWN AND THE MASSACHUSETTS DEPARTMENT OF REVENUE. IN PREVIOUS REPORTS FOR COMPARISON PURPOSE WE HAVE USED 2000 AS OUR BASE YEAR. SINCE WE BELIEVE IT IS IMPORTANT TO FOCUS ON HOW CHATHAM HAS BEEN DOING MORE RECENTLY, THIS YEAR WE WILL START WITH FY 2006, THE YEAR WE FIRST REPORTED ON SEVEN YEARS AGO.

THERE ARE SEVERAL SETS OF DATA WE WILL BE PRESENTING COVERING THE PERIOD SINCE 2006.

SLIDE 1 – FINANCIAL SUMMARY

WASTEWATER PROJECT.

FIRST IS A SUMMARY OF CHATHAM'S FINANCIAL PERFORMANCE. THIS SLIDE INCLUDES DATA FROM THE YEAR ENDING JUNE 30 2012. FY 2013 NUMBERS WILL NOT BE AVAILABLE UNTIL LATER IN THE YEAR, SO WHAT YOU ARE SEEING IS JUST OVER A YEAR OLD.

AS YOU WILL NOTE, THE TOTAL ASSESSED VALUE OF THE TOWN IS BASICALLY UNCHANGED FROM 2006. HOWEVER, DURING THIS SIX YEAR PERIOD, VALUES INCREASED IN 2007-08 PERIOD, DROPPED IN 2009-10, AND HAVE RECOVERED SOME OF THE LOSS IN THE LAST TWO YEARS.

THIS IS IN MARKED CONTRAST TO THE LARGE 222% INCREASE IN THE ASSESSED VALUE OF THE TOWN BETWEEN 2000 AND 2006.

OUR TAX RATE, THE AMOUNT WE PAY PER \$1000 OF ASSESSED VALUE, HAS INCREASED 19% BETWEEN 2006 AND 2012. WHEN THE 2013 INCREASE IS ADDED, RATES HAVE INCREASED 35% SINCE 2006.

THE TOTAL TAXES COLLECTED HAS INCREASED 21% SINCE 2006. NEARLY TWO THIRDS OF THESE TAXES ARE PAID BY NON-RESIDENTS, WHO CONSUME FEWER SERVICES THAN RESIDENTS. SO IN A REAL SENSE, THE SUMMER RESIDENTS ARE THE ECONOMIC ENGINE WHICH SUPPORTS CHATHAM'S FISCAL HEALTH.

IN ADDITION TO TAXES, THE TOWN HAS TWO OTHER SOURCES OF REVENUE; STATE AID AND "LOCAL RECEIPTS", INCLUDING MOTOR VEHICLE EXCISE TAXES, HOTEL AND MEAL TAXES, TRASH DISPOSAL, AMBULANCE SERVICES, LICENSES AND PERMITS, AND RELATED ITEMS. IN 2012 THESE OTHER SOURCES TOTALLED \$8.6 MILLION. TOTAL REVENUE INCREASED 20% BETWEEN 2006 AND 2012 AND GENERAL FUND OPERATING EXPENSES SINCE 2006 HAVE INCREASED 14%. CHATHAM'S DEBT HAS INCREASED 105%, PRIMARILY TO FUND INFRASTRUCTURE IMPROVEMENTS INCLUDING THE NEW TOWN ANNEX AND POLICE STATION, AND THE INITIAL PHASE OF THE

NOTWITHSTANDING THIS DOUBLING OF OUR DEBT, DEBT SERVICE, THE AMOUNT WE PAY FOR INTEREST AND PRINCIPAL EACH YEAR, HAS INCREASED ONLY 38%, AND REPRESENTS 17% OF OUR BUDGET, COMPARED WITH 14% IN 2006.

BORROWING COSTS HAVE BEEN LOWERED DUE TO A COMBINATION OF CHATHAM'S AAA DEBT RATING, WHICH WAS RECONFIRMED LAST YEAR, AND THE UNUSUALLY LOW INTEREST RATE ENVIRONMENT.

ALTHOUGH WE DO NOT AS YET KNOW THE NUMBERS FOR THE YEAR JUST ENDED ON JUNE 30, WE DO KNOW THAT THE ASSESSED VALUATION HAS REMAINED STABLE AND THE TAX RATE HAS INCREASED TO \$5.03 FOR FY 2013. THE BUDGET FOR 2014 WAS APPROVED AT THE MAY TOWN MEETING AND THE COMMITTEE IS PLEASED THAT IN TOTAL, IT IS ESSENTIALLY UNCHANGED FROM THE 2013 BUDGET. MORE ABOUT THAT LATER. SO HOW IS CHATHAM DOING COMPARED TO OTHER CAPE TOWNS?

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Financial Summary 2006-2012 General Fund

	2006	2012	Change 2006-2012
Assessed Valuation (Billions)	\$ 5.8	\$ 5.9	1%
Tax Rate	\$ 3.73	\$ 4.45	19%
Taxes (Millions)	\$ 21.2	\$ 25.6	21%
Total Revenue (Millions)	\$ 29.6	\$ 35.5	20%
Expenditures (Millions)	\$ 29.4	\$ 33.5	14%
Debt (Millions)	\$ 43.2	\$ 88.8	105%
Debt Service	\$ 4.3	\$ 5.9	38%
Debt Service to Revenue	14%	17%	

SLIDE 2 – TAX RATES

THE NEXT SET OF DATA SHOWS CAPE COD TAX RATES. CHATHAM'S 2013 TAX RATE OF \$5.03 IS THE LOWEST OF THE 15 CAPE TOWNS EVEN AFTER THE LARGE INCREASE THIS YEAR. SINCE 2007 TAX RATES IN EVERY CAPE TOWN HAVE INCREASED BETWEEN 39% AND 68%, WITH BARNSTABLE INCREASING 39% AT THE LOW END, AND YARMOUTH INCREASING 68% AT THE HIGH END. CHATHAM'S INCREASE WAS 44% INCLUDING THE INCREASE THIS YEAR.

Cape Cod Tax Rates 2007-2013

	2007	2013
Chatham	\$ 3.49	\$ 5.03
Truro	\$ 4.15	\$ 6.02
Dennis	\$ 4.20	\$ 6.09
Orleans	\$ 4.27	\$ 6.10
Wellfleet	\$ 4.50	\$ 6.41
Eastham	\$ 4.61	\$ 6.53
Provincetown	\$ 4.96	\$ 7.34
Brewster	\$ 5.47	\$ 7.92
Falmouth	\$ 5.25	\$ 8.04
Harwich	\$ 5.58	\$ 8.58
Barnstable	\$ 6.32	\$ 8.76
Mashpee	\$ 5.84	\$ 9.09
Bourne	\$ 6.42	\$ 9.45
Yarmouth	\$ 5.89	\$ 9.88
Sandwich	\$ 9.30	\$ 13.72

SLIDE 3 – RESIDENTIAL ASSESSMENTS

AS THE NEXT SLIDE SHOWS, CHATHAM'S TOTAL ASSESSED RESIDENTIAL VALUATION DECREASED 12% FROM 2006 TO \$5.4 BILLION IN 2013. THIS IS IN LINE WITH THE DECREASE IN THE VALUATION OF OTHER CAPE TOWNS, WHERE THE VALUES HAVE DROPPED IN A RANGE OF 9% ON THE LOW END TO 26% ON THE HIGH END. BUT SINCE 2000, THE ASSESSED VALUE OF CHATHAM'S RESIDENTIAL REAL ESTATE HAS INCREASED 236%, THE LARGEST INCREASE OF ANY CAPE TOWN, REFLECTING THE HUGE JUMP IN THE VALUE OF OUR HOMES IN THE FIRST 6 YEARS OF THE DECADE.

Residential Assessments 2006-2013

(Billions)	2006	2013	Increase 2006-2013
Orleans	\$ 3.6	\$ 3.3	-9%
Truro	\$ 2.1	\$ 1.9	-10%
Provincetown	\$ 2.1	\$ 1.9	-10%
Eastham	\$ 2.9	\$ 2.6	-11%
Chatham	\$ 6.1	\$ 5.4	-12%
Barnstable	\$ 12.8	\$ 11.2	-12%
Dennis	\$ 6.2	\$ 5.4	-13%
Wellfleet	\$ 2.4	\$ 2.1	-14%
Falmouth	\$ 11.4	\$ 9.8	-14%
Mashpee	\$ 4.8	\$ 4.0	-16%
Brewster	\$ 3.7	\$ 3.1	-17%
Bourne	\$ 4.3	\$ 3.6	-17%
Sandwich	\$ 4.0	\$ 3.2	-21%
Harwich	\$ 5.1	\$ 4.2	-19%
Yarmouth	\$ 6.2	\$ 4.6	-26%

SLIDE 4-AVERAGE SINGLE FAMILY ASSESSED VALUE 2013

AT JUST UNDER \$780,000 THE AVERAGE ASSESSED VALUE OF A SINGLE FAMILY HOME IN CHATHAM IS THE HIGHEST OF ANY CAPE TOWN, WHERE THE AVERAGE IS ABOUT \$505,000. THIS HIGH NUMBER REFLECTS THE MARKET'S VIEW OF THE VALUE OF CHATHAM REAL ESTATE.

Average Single Family Assessed Value - 2013

Chatham	\$ 779,125
Provincetown	\$ 746,866
Truro	\$ 720,598
Orleans	\$ 703,770
Wellfleet	\$ 563,807
Falmouth	\$ 471,269
Bourne	\$ 389,418
Harwich	\$ 430,070
Eastham	\$ 449,617
Mashpee	\$ 446,205
Brewster	\$ 438,763
Dennis	\$ 392, 118
Sandwich	\$ 344,388
Yarmouth	\$ 303,947
Average	\$ 504,625

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SLIDE 5 – AVERAGE SINGLE FAMILY TAX BILL

SO HOW MUCH IN TAXES DO WE PAY COMPARED WITH OTHER CAPE

TOWNS? WITH HIGH VALUES AND LOW RATES, AT \$3,919 CHATHAM COMES

IN JUST ABOVE THE CAPE WIDE AVERAGE OF \$3,813 FOR THE AVERAGE SINGLE

FAMILY HOME. THESE TAXES RANGE FROM A LOW OF \$2,388 FOR DENNIS

AND A HIGH OF \$5,482 FOR PROVINCETOWN.

Average Single Family Tax Bill - 2013

Dennis	\$ 2,388
Eastham	\$ 2,936
Yarmouth	\$ 3,003
Brewster	\$ 3,475
Wellfleet	\$ 3,614
Bourne	\$ 3,680
Harwich	\$ 3,690
Falmouth	\$ 3,789
Chatham	\$ 3,919
Mashpee	\$ 4,056
Orleans	\$ 4,293
Truro	\$ 4,338
Sandwich	\$ 4,725
Provincetown	\$ 5,482
Average	\$ 3,813
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SLIDE 6 – EXPENDITURES PER CAPITA

CHATHAM'S GENERAL FUND EXPENDITURES IN 2012 AVERAGED JUST UNDER \$5,559 PER FULL TIME RESIDENT, THE 4TH HIGHEST OF ANY CAPE TOWN. THIS MAY BE INFLUENCED BY THE HIGH PERCENTAGE OF SUMMER RESIDENTS WHO CONSUME SERVICES, BUT ARE NOT ADDED TO THE POPULATION IN MAKING THE COST PER CAPITA CALCULATION.

DURING THE LAST TWO YEARS, THE COMMITTEE SUBMITTED POSITION PAPERS RECOMMENDATING BUGETARY RESTRAINT, NOTING IN THE 2011 PAPER THE TREMENDOUS GROWTH IN THE TOWN'S EXPENSES DURING THE PRECEDING 30 YEARS, WITH TAXES INCREASING 500% AND EXPENSES 344%, WHILE THE CONSUMER PRICE INDEX INCREASED ONLY 173% AND CHATHAM'S POPULATION ONLY 10%.

THE COMMITTEE IS PLEASED THAT THE SELECTMEN HAVE IN MANY RESPECTS SUPPORTED THESE

RECOMMENDATIONS FOR BUDGETARY RESTRAINT, AND ARE TO BE COMMENDED FOR THEIR EFFORTS TO LIMIT EXPENSES.

AT THE MAY TOWN MEETING THIS YEAR THE VOTERS APPROVED A GENERAL FUND BUDGET FOR FY 14.

Expenditures Per Capita - 2012

Bourne	\$ 2,303
Yarmouth	\$ 2,571
Barnstable	\$ 2,672
Sandwich	\$ 3,107
Dennis	\$ 3,123
Falmouth	\$ 3,417
Mashpee	\$ 3,526
Brewster	\$ 3,559
Eastham	\$ 4,064
Harwich	\$ 4,267
Orleans	\$ 4,386
Chatham	\$ 5,559
Truro	\$ 5,840
Wellfleet	\$ 7,089
Provincetown	\$ 7,467
Average	\$ 4,496

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SLIDE 7- 2014 BUDGET

AS YOU WILL NOTE FROM THE TOP LINE, THE TOTAL GENERAL FUND BUDGET IN 2014 IS INCREASING BY JUST LESS THAN 1% COMPARED WITH FY13. THE SELECTMEN AND TOWN MANAGER HAVE LITTLE CONTROL OVER THE DEBT SERVICE COSTS AS THEY HAVE BEEN FIXED AND DETERMINED WHEN DEBT WAS INCURRED AND APPROVED BY THE VOTERS IN PRIOR YEARS. EDUCATION EXPENSE IS ALSO LARGELY OUT OF THEIR CONTROL AS THE SCHOOL BUDGET IS THE RESPONSIBILITY OF THE SEPARATELY ELECTED SCHOOL BOARD AND SEPARATELY APPROVED BY THE VOTERS. OTHER GENERAL FUND COSTS, THE BOTTOM LINE ON THE SLIDE, IS INCREASING 2.9% AND IS CONTROLLED BY THE SELECTMEN AND TOWN MANAGER. ALTHOUGH THIS INCREASE HAS BEEN INFLUENCED BY SOME FACTORS BEYOND THEIR CONTROL, SUCH AS PENSIONS, HEALTH CARE AND INSURANCE, THE COMMITTEE BELIEVES THAT EVERY EFFORT SHOULD BE MADE IN FUTURE YEARS TO AVOID ANY ADDITIONAL INCREASES IN THESE OTHER GENERAL FUND COSTS. GIVEN THE MODEST INCREASE IN THE OPERATING BUDGET, ONE MIGHT ASK WHY THE TAX RATE IS JUMPING FROM \$4.45 TO \$5.03. FIRST, THE TOTAL ASSESSED VALUE OF THE TOWN DECREASED SLIGHTLY IN 2013 REQUIRING AN INCREASE IN THE RATE TO GENERATE THE SAME AMOUNT OF TAX. SECOND, AND MORE IMPORTANTLY, FOR THE FIRST TIME IN SEVERAL YEARS THE TOWN IS FUNDING MAJOR PORTIONS OF ITS "FIVE YEAR CAPITAL PLAN" - COVERING VEHICLE REPLACEMENTS, COMPUTERS AND OTHER GENERALLY ROUTINE ITEMS COSTING UNDER \$200,000 - OUT OF THE REAL ESTATE TAX LEVY. PRIOR TO 2013, THE FIVE YEAR CAPITAL PLAN HAD BEEN FUNDED OUT OF "FREE CASH" – THE EXCESS OF STATE AID AND LOCAL RECIPTES OVER BUDGET PLUS BUDGET TURNBACKS.

Slide 7 Cont.

FREE CASH HAS BEEN DECREASING IN RECENT YEARS BECAUSE OF THE ECONOOMIC TURNDOWN. THE DECISION TO MAKE THIS CHANGE IN THE FUNDING OF THE FIVE YEAR CAPITAL PLAN WAS DRIVEN BY THE NEED TO MAKE CAPITAL EXPENDITURES WHICH HAD BEEN DEFERRED, AND TO SUPPORT RENEWAL OF THE TOWN'S AAA BOND RATING. THIS YEAR THE BUDGET WISELY MAKES PROVISION FOR A SIGNIFICANTJUMP IN THE FIVE YEAR CAPITAL PLAN, WITH AUTHORIZED EXPENDITURES FOR CAPITAL ITEMS INCREASING FROM \$1.1 MILLION IN 2013 TO \$1.9 MILLION IN 2014, TO HELP FUND BADLY NEEDED ITEMS WHICH HAD PREVIOUOSLY BEEN DEFERRED DURING THE ECONOMIC DOWNTURN. I WOULD LIKE TO CALL YOUR ATTENTION TO TWO EXPENSE CATEGORIES WHICH SIGNIFICANTLY IMPACT THE BUDGET, REFLECTING TWO MAJOR INITIATIVES.

Chatham Scorecard 2014 Budget

	2012 Actual	2013 Budget	2014 Budget	Change 14 vs. 13
Total General Fund Budget	\$ 33,475,185	\$ 34,644,620	\$ 34,917,727	0.8%
Debt Service	\$ 5,852,861	\$ 7,733,729	\$ 7,905,583	2.2%
Education	\$10,261,778	\$ 8,434,323	\$ 8,000,516	-5.1
Other General Fund Costs	\$ 17,360,546	\$ 18,476,568	\$ 19,011,628	2.9%

SLIDE – 8 DEBT SERVICE AND EDUCATION EXPENSE

THE CONSTRUCTION OF THE INITIAL PHASES OF THE WASTEWATER PROJECT WAS FINANCED WITH FEDERAL STIMULUS MONEY, GRANTS AND BORROWED FUNDS. AS ANTICIPATED, THIS RESULTED IN A SIGNIFICANT INCREASE IN OUR ANNUAL DEBT SERVICE, THE AMOUNT WE PAY EACH YEAR AS INTEREST AND PRINCIPAL ON OUR DEBT. AS YOU WILL NOTE, DEBT SERVICE WILL INCREASE JUST OVER \$2 MILLION IN 2014 COMPARED WITH 2012, WHICH IS ATTRIBUTABLE TO THE DEBT INCURRED FOR THE INITIAL PHASES OF THE WASTEWATER PROJECT, AN INCREASE OF 35%. DURING THE SAME TWO YEAR PERIOD THE MONOMOY SCHOOL DISTRICT WAS FORMED, COMBINING HARWICH AND CHATHAM SCHOOLS IN A SINGLE SYSTEM. UNDER A STATE APPROVED FORMULA, CHATHAM IS PAYING 27% OF THE COSTS WHICH IN 2014 WILL RESULT IN SAVINGS OF OVER \$2.2 MILLION COMPARED WITH 2012.

Continued

THE COMBINED EFFECT OF THES TWO IMPORTANT INITIATIVES IS A \$200,000, OR 1.3% REDUCTION IN EXPENSES.

SO, WONDER OF WONDERS, IT APPEARS THAT CHATHAM HAS CONSTRUCTED A NEW SEWAGE
TREATMENT PLANT AND THE BACKBONE OF THE COLLECTION SYSTEM, WHILE CREATING WHAT
MANY SAY IS A BETTER EDUCATION SYSTEM FOR CHATHAM CHILDREN, ALL, WHEN THESE TWO
ITEMS ARE COMBINED, AT NO ADDITIONAL COST TO THE TAXPAYERS.

SINCE 2007 CHATHAM HAS INCURRED SIGNIFICANT DEBT FOR THE CONSTRUCTION OF THE TOWN HALL ANNEX, THE POLICE STATION AND THE INITIAL PHASE OF THE WASTEWATER SYSTEM. AS PREVIOUSLY NOTED, DEBT SERVICE IN 2014 WILL BE 17% OF THE TOWN'S TOTAL GENERAL FUND EXPENSES. THIS IS THE HIGHEST PERCENTAGE OF ANY CAPE TOWN, WHERE DEBT SERVICE RANGES FROM 4% TO 11% OF BUDGET.

Chatham Scorecard Debt Service and Education Expense

	2012 Actual	2013 Budget	Change
Debt Service	\$ 5,852,861	\$ 7,905,583	35.1%
Education	\$ 10,261,778	\$ 8,000,516	-22.0%
Total	\$16,114,639	\$ 15,906,099	-1.3%

SO IS CHATHAM ON THE ROAD TO GREECE AND DETROIT? HARDLY!

THIS INCREASE IN DEBT HAS BEEN INCURRED, NOT FOR OPERATING EXPENSES, BUT FOR MAJOR INFRASTRUCTURE INVESTMENTS WHICH WILL SERVE CHATHAM FOR MANY DECADES. ALTHOUGH CRITICS HAVE COMMENTED, WITH SOME JUSTIFICATION, THAT THE POLICE STATION AND ANNEX WERE LARGER AND MORE EXSPENSIVE THAN NECESSARY, THEY WILL FILL THE TOWN'S NEEDS FOR THE FORESEEABLE FUTURE, PERHAPS ENABLING THE CONSOLIDATION OF OTHER TOWN DEPARTMENTS IN THESE NEW FACILITIES AS WELL.

THE WASTEWATER PROJECT IS AN ESSENTIAL INVESTMENT WHICH, WHEN COMPLETE, WILL REVERSE THE PROGRESSIVE DEGRADATION OF OUR MANY EMBAYMENTS AND FRESHWATER PONDS, CAUSED LARGELY BY NITROGEN INFLITRATION COMING PRIMARILY FROM RESIDENTIAL SEPTIC SYSTEMS. IT HAS BEEN CONSISTENTLY AND STRONGLY SUPPORTED BY THE SUMMER RESIDENTS ADVISORY COMMITTEE SINCE IT WAS PROPOSED OVER TEN YEARS AGO. CRITICS CONTINUE TO URGE OTHER LESS EXPENSIVE SOLUTIONS, NONE OF WHICH TO DATE HAVE PROVED TO BE VIABLE IN THE OPINION OF EXPERTS AND REGULATORS.

OTHER CAPE TOWNS WHICH ARE IN MORE DIFFICULT FINANCIAL CIRCUMSTANCES, ARE CURRENTLY STRUGGLING TO DEAL WITH THEIR WASTEWATER AND NITROGEN ISSUES, WITH LITTLE PROGRESS TO DATE. CHATHAM IS WELL ON ITS WAY TOWARD DEALING SUCCESSFULLY WITH WASTEWATER, WELL AHEAD OF ALL THE OTHER CAPE TOWNS.

CHATHAM ALSO FACES THE NEED FOR ADDITIONAL BORROWING TO FUND A BADLY NEEDED NEW FIRESTATION WHICH WILL BE VOTED ON AT A SPEACIAL TOWN MEETING IN OCTOBER, AND CONTINUED IMPLEMENTATION OF THE WASTERWATER PROJECT. BUT THE DEBT SERVICE RESULTING FROM SUCH ADDITIONAL BORROWING, WILL BE LARGELY OFFSET BY "DEBT DROP OFF", AS PREVIOUSLY INCURRED DEBT IS REDUCED EACH YEAR THROUGH ANNUAL DEBT SERVICE PAYMENTS.

THE COMMITTEE BELIEVES THAT CHATHAM WILL BE ABLE TO FUND EXISITING AND FUTURE DEBT WITHOUT SIGNIFICANT INCREASES IN TAXES, PROVIDED IT EXERCISES STRICT DISCIPLINE IN CONTROLLING ITS OTHER OPERATING COSTS.

THE COMMITTEE WILL BE RECOMMENDING THAT PROPERTY TAXES FOR FY₁₅, FY₁₆ AND FY₁₇ BE CAPPED AT ABOUT THE CURRENT \$28 MILLION, WHILE MAKING PROVISION FOR DEALING WITH THE CAPITAL NEEDS FOR THE FIRE STATION AND IMPLEMENTATION OF THE WASTEWATER PROJECT. THIS WILL REQUIRE A CRITICAL REVIEW OF THE WAY THE TOWN DOES BUSINESS, INCLUDING DEVOLPING NEW AND ADDITIONAL SOURCES OF REVENUE, DEPARTMENTAL REORGANIZATION, REVIEW OF SERVICE LEVELS, ADDITIONAL REGIONALIZATION, AND CONSIDERATION OF ALTERNATIVE METHODS OF DELIVERING SERVICES, SUCH AS OUTSOURCING.

THE TOWN IS FORTUNATE TO HAVE AN ABLE, HARDWORKING AND COMMITTED BOARD OF SELECTMEN, A HIGHLY COMPETENT TOWN MANAGER AND FINANCE DIRECTOR, AND A DEDICATED CAPABLE WORKFORCE.

WE ARE CONFIDENT THAT THE TOWN, WITH ITS STABLISHED RECORD OF SUCCESS, CONSERVATIVE FISCAL POLICIES, AND EFFECTIVE PROFESSIONAL MANAGEMENT WILL CONTINUE TO DEAL WITH OUR CHALLENGHES IN AN APPROPRIATE AND REPSONSIBLE MANNER.

THE TOWN HAS BEEN GENEROUS IN AFFORDING SUMMER RESIDENTS AN OPPORTUNITY TO CONTRIBUTE OUR VIEWS, AND WE ARE CONFIDENT THAT OUR INVESTMENT IN CHATHAM IS IN GOOD HANDS.

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